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SIPDIS

FOR AF/RSA, EAP/CM, NEA/RA, AND NEA/MAG

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TAGS: [PREL](#) [PGOV](#) [EAID](#) [ETRD](#) [MASS](#) [TS](#) [CN](#)
SUBJECT: TUNISIA-CHINA RELATIONS MODEST, BUT TRADE TIES
GROWING

REF: A. STATE 10152
[1](#)B. 09 TUNIS 498 (NOTAL)

Classified by Ambassador Gordon Gray for reasons 1.4 (b) and (d).

Summary

[1](#)1. (C) Chinese engagement in Tunisia is broad but not deep. Chinese assistance to Tunisia includes infrastructure projects and some training grants. The commercial relationship is growing but is not yet large. The last high level meeting we know of took place in November, 2009 when Zhai Jun, China's Secretary of State for Foreign Affairs, met with then Minister of Foreign Affairs Abdallah in Tunis. In June, 2009 Foreign Minister Abdallah visited Beijing and met with his Chinese counterpart (ref b). China has provided foreign assistance to build dams and technical assistance and training for Tunisian officials. While specific data is not available, assistance levels appear to be modest. Bilateral trade was approximately \$890 million in 2008, of which \$836 million was Tunisia's imports from China. Tunisia's imports began increasing sharply after 1999 while its exports to China have increased more gradually. We are not aware of any Chinese military assistance other than some language training for officers. While we are open to suggestions for U.S.-Chinese collaboration in Tunisia, we do not see any obvious opportunities. End summary.

High-Level Meetings

[1](#)2. (SBU) The last high-level meeting we are aware of between China and Tunisia occurred November 26, 2009. Zhai Jun, China's Secretary of State for Foreign Affairs, met in Tunis with then Minister of Foreign Affairs Abdallah. According to media accounts, Foreign Minister Abdallah focused on the private sector's role in the relationship, saying it could "bolster cooperation in different sectors through partnership projects." Media reports also state the two countries have signed 23 agreements in economic, technical, diplomatic, scientific, and financial sectors. They signed their first trade agreement in 1995. In June, 2009, Minister of Foreign Affairs Abdallah visited Beijing and met with his Chinese counterpart. During his visit they signed an economic and technical cooperation pact. In March, 2008 a senior member of the Chinese Communist Party's Political Bureau, Li Changchun, met with Hedi M'henni, then Secretary General of the ruling RCD party. During the meeting they witnessed the signing of a cooperation agreement between the two countries. A Tunisia-China Friendship Association is currently headed by prominent businessman Walid Loukil.

¶3. (C) The Chinese Ambassador in Tunis told us last year that China-Tunisia bilateral relations had suffered in recent years from limited access to GOT officials imposed by the Ministry of Foreign Affairs, a common complaint among foreign diplomats in Tunis.

Trade

¶4. (SBU) There are signs that the two countries are trying to expand their bilateral commercial relations. The two sides are reportedly discussing a free trade agreement. In 2008, Tunisia participated for the first time in a tourism industry trade fair in Guangzhou. We also heard in 2008 that China was considering opening an office of the shipping company Cosco, but have not seen any evidence of implementation. In November 2009, Secretary of State for International Cooperation and Foreign Investment Abdelhamid Triki represented Tunisia at the fourth Chinese-African Cooperation Forum in Sharm El-Sheikh.

¶5. (SBU) China-Tunisia bilateral trade is growing significantly; the total value in 2008 was approximately \$889.6 million -- up from approximately \$103 million in 1999. Tunisia's exports to China saw a more gradual increase, from approximately \$26 million in 1999 to \$53.6 in 2008. Tunisian exports include phosphates, oranges, and melons, while China exports a wide range of consumer goods, as well as tea, sugar, and other foodstuffs to Tunisia. Tunisia is apt to see China as a competitor for its exports of consumer goods, including textiles. A 2008 World Bank report,

"Strengthening MENA's Trade and Investment Links with China and India," reported that Tunisia may be one of the MENA countries that has seen its exports decline in the face of Chinese competition. However, Tunisia may also be benefiting from greater integration of the global market, driven in part by China, for electrical and motor vehicle parts.

Military Assistance

¶6. (C) As reported in the press, Cao Gangchuan, vice president of China's Central Military Commission, headed a delegation of Chinese officials to Tunisia in 2007 and met with then Tunisian Minister of Defense Kamel Morjane. The Ministry of Defense has courses in Madarin for its officers and China has provided grants for about 10 officers per year to study in China. We have not seen any signs of Chinese military equipment being used in Tunisia.

Foreign Assistance

¶7. (SBU) China has provided some development assistance to Tunisia over the years, usually for infrastructure projects. The two countries concluded a bilateral agreement at the China-Africa Cooperation Forum in Beijing in 2006 and the Chinese provided funds for two dam projects in Tataouine that same year. In 2008, China started sending volunteers to Tunisia who work in the cultural sector, teaching Chinese, table tennis, martial arts, and dancing - often in remote areas of Tunisia. In December 2009, the media reported a Chinese gift to the GOT of 6,200 computers. At least 300 Tunisian civil servants have been invited to China for training programs that cover agriculture, energy, trade, construction and public health. China has a longstanding program, started by a Chinese Ambassador in the 1970s, to send medical doctors to southern areas of Tunisia to help underserved communities.

¶8. (SBU) In February 2009 the Tunisian Minister of Health met with the Chinese Vice-Minister of Health. The two officials discussed the opportunities for cooperation in the medical

field and the Vice-Minister indicated his country's interest in participating in a new university hospital project in Sfax. In September, 2009, work began on a 300 bed university hospital in Sfax, estimated to cost \$32.6 million.

No Obvious Opportunities for U.S.-Chinese Collaboration Here

19. (C) There are no examples of U.S.-China collaboration in Tunisia, either private or public. While we are open to ideas for collaboration, we do not see any obvious opportunities.

GRAY